

---

# ОРГАНІЗАЦІЙНО - ЕКОНОМІЧНІ ПРОБЛЕМИ ІННОВАЦІЙНОЇ ДІЯЛЬНОСТІ

UDC 338.984

*LUKIANYTSIA ALINA*, PhD student of business administration and personnel management department, National Technical University «Kharkiv Polytechnic Institute», Kharkiv, Ukraine

*VERIUTINA VIKTORIA*, senior lecturer of business administration and personnel management department, National Technical University «Kharkiv Polytechnic Institute», Kharkiv, Ukraine

## **BASIC APPROACHES TO THE DEVELOPMENT OF AN INNOVATIVE BUSINESS MODEL**

Within the present market conditions in internal environment of Ukraine and in the world, one of the major strategic problems of entrepreneurs is ensuring of long-term economic development. At the present stage of science and technology development the solution of this problem is possible only through innovation application. For effective and competitive implementation of innovative ideas is needed to include the development of innovative potential into the business-model of entrepreneurial activity. Therefore it became the necessity of searching of new techniques of innovative potential estimation that would ensure the determination of current level of enterprise innovativeness and possible directions of its development.

On the base of theoretical sources and practical approaches to develop the recommendations for innovative model formation of entrepreneurial activity by means of the evaluation of innovative potential and entrepreneur activity activation within the application of relevant and efficient innovations.

The general classification of business-models researched a big number of scientists. The classic model is based on the efficient use of available resources. It includes the search of accessible opportunities for achieving of its goals through the

analysis and application of existing resources. It is believed that within the framework of this model is formed the concept of production volume management. As a result of activation of internal resources is expected profitability improving, production modernization and insignificant renewal of product range. Innovative model includes the search of new ways of enterprise development. They must be based on providing R&D and further implementation of innovations with following receiving of extra profit and competitive advantage.

The research of main innovation types and their features were carried out by O. Savchenko, I. Bazhal, U. Venesaar, O. Rudyka and others [1, 2, 3]. O. Savchenko, L. Shamina, O. Samsonova researched the problematic aspects of innovative model implementation at the enterprises in current market environment [1,4]. R. Poberezhny developed the methodology of innovative potential estimation by means of Balanced Scorecard system [5].

From the researched literature, we can summarize that the classification of entrepreneurial activity models to the classic and innovative is abstract and possible only in theory. The enterprises of Ukraine belong to the classic model, but also have slight innovative features. In order to become competitive in the global market, they have to take steps in changing their business-model to more innovative.

The world economy is a constant increase in the importance of the impact of innovation. The intensification of scientific and technological progress and trends inherent in the present stage of economic development suggest that the type of innovation will be decisive, and the economy, respectively, becoming more innovative. That is why competitive can only be the innovative. This economy needs the development of innovations, entrepreneurial ecosystem, particularly its specific variety – innovative entrepreneurship [1]. To become innovative the entrepreneur must provide dynamic innovative activity.

The main types of innovation, at which can be based business-models are presented in the Table 1.

Table 1

The main types of innovation as the basis of business-models

| <i>Type</i>          | <i>Description</i>   |
|----------------------|--|
| <b>Technological</b> | focused on creation and implementation of new products, technologies, equipment modernization, alteration of premises, improving of environmental protection |
| <b>Productional</b>  | targeted at the extension of manufacturing capacity and diversification of production activity   |
| <b>Economical</b>    | changing the methods of planning and evaluation of production activity   |
| <b>Trade</b>         | based on the target changes of marketing policy  |
| <b>Social</b>        | connected with the improving of labor conditions and social security of staff  |
| <b>Management</b>    | targeted at the improving of organizational structure or decision-making methods   |

As innovative ventures is defined as the process of creation and commercial exploitation of technological innovations [2], that is why we consider only this type of innovations in our further research. Technological innovations comprise new products and processes and significant technological changes of products and processes. They are the essential part of innovative entrepreneur and actually critical in aggressive competitive environment. Technological innovations are characterized by high efficiency simultaneously with need of high financial and human resources, long time horizon, increased uncertainty in obtaining incomes [6].

Improvement of existing technologies provides the improvement of enterprise competitiveness, requires insignificant expenses of resources, and is the most widely used type of innovations among the enterprises that are involved in innovative potential development at the early stages.

Fundamentally new technologies require significant investments, resources and time for research, development and application. They are also related with significant financial risks. Within the implementation of this type of innovations, must be understood that needed capital investments are significant, but the effect of their use is quite difficult to forecast. At the same time, in case of successful implementation of innovative product, the enterprise can open completely new market segment, so called "Blue Ocean Market", which is characterizing by the lack of competitors and the ability to establish the prices, – actually it makes the company a monopoly. In this case, the marketing strategy of "Skimming pricing" is often applied for obtaining the extra profits.

New technological regulations ensure the improvement of product quality. Their development requires relatively insignificant investment, is characterized by the low level of economic risks. As a result, its application allows to improve the image of the company and its products that makes them more competitive.

In our opinion, new equipment and production tools is expedient to combine into one group, because the effectiveness of their implementation is approximately equal. They require significant investments, both single initial and ongoing for servicing. As a result of its implementation is expected the growth of production volumes, increasing of the product quality, improving of working conditions and safety at work, or environmental protection.

Also is needed to consider the classification of innovations in account of depth of changes: radical, improving, modification. These types of innovations differ from each other by depth of life-cycle phases and needed material and financial resources.

We have considered the types of innovations and chose technical. For making the decision of which exactly innovations would be applied, is needed the estimation of current indexes of entrepreneurial activity. As we consider the enterprise from the innovative point of view, the estimate must include not only financial indexes, but

also the level of innovative potential. With this purpose we propose to apply the methodology of innovative potential evaluation called «Innovation Scorecard» (IS). It's the system of innovation indexes - the quantitative assessment of the combination of factors, which affect of innovative development of the enterprise. It consist of the estimation of such factors [5]:

1. Innovation Strategy;
2. Innovation Process;
3. Resources Availability;
4. Innovation Structure;
5. Innovation Culture.

Each of the parameters is rated on a scale from zero to one point. The technique is based on the questionnaire, which concerns the specific qualitative indexes. The advantage of this method is that it allows to evaluate the qualitative indicators quantitatively without the application of complicated calculations that makes its use available for any type of the enterprise.

Each component of the factors has its proportion. In the result we obtain the Overall Rating, other words some mark in the scale of one to five points, which gives the imagine about the current level of innovative potential of the enterprise.

"Low" economical growth suggests that the company has no means for the realization of their ideas in innovative product. "Low economic growth with development potential" means that enterprise is capable to finance the innovation projects partly. "Static" economic growth is a stable economic situation, attained through the implementation of well-known products, which are in demand in the market. "High" economic growth have the enterprises, which are characterizing by correct mechanism of organization of entrepreneurial activity with high profits and rich resources availability.

"Low" level of innovative potential have the companies that begin to form the groups of experts for the introduction of innovations, but there are no received actual results. "Satisfactory" level of innovations have businesses that are able to offer the relevant innovations, which meet the modern needs of the market, but now they are in the early stages of their implementation. "High" level of innovations is inherent to the enterprises with advanced R&D and potential market of which has not yet been formed, but in future this company will be a leader in innovation development, thus opening "Blue Ocean Market".

The proposed recommendations have been built from the standpoint of the smallest risks, but each company can independently decide what type of innovations should be applied by taking into account the factors of external and internal environment. It's not excluded the variant of the application of all three types of innovations at the enterprises, where innovations were absent before.

The reviews the existing models of entrepreneurial activity, the types of innovations, the components of innovative activity. The matrix of enterprise development strategies was modified in accordance with types of innovations. Obtained results provide the possibility of easy development of innovative business-model by easy estimation of innovative potential and identification of the basic innovations. Within the framework of this paper, all the propositions are directed at the increasing of the profits, ensuring the competitiveness of the products, opening of new market segments, strengthening of positions and diverse development of the enterprise. Proposed technique does not require any complicated calculations that makes it available for entrepreneurs, which has decided to activate the entrepreneurial activity in innovation vector of their development.

**References:** 1. Innovative entrepreneurship: textbook/ authors: O. Savchenko, A. Tavkhelidze, A. Sokolov, E. Hakobyan at all/ Edited by Olga Savchenko. – Kharkiv: LL “Planeta-Print Ltd”, 2016. – 200 p. [UA] 2. Innovation entrepreneurship: creativity, commercialization, ecosystem: Handbook/ I. Bazhal, U. Venesaar, O. Savchenko et al. – Kyiv: University Publishing house “Pulsary”, 2015. – 280 p. [UA] 3. Development of innovative potential of enterprises in transitional economy [Monograph]/ Edited by O. Rudyka. – Kharkiv: KhNUE, 2006. – 254 p. [UA] 4. Features of implementation of technological innovations: Scientific magazine. Series: Economics and Environmental Management. Issue 1/L. Shamina, O. Samsonova – St. Petersburg: ITMO, March 2011. [RU] 5. Poberezhnyi, R. (2013) Forming the strategic potential for development of machine-building enterprises: the balanced scorecard in use. Club of Economics in Miskolc: Theory, Methodology, Practice, Volume 9, Pages 79-83 6. Technological Innovation: Concept, Process, Typology and Implications in the Economy/ M. Diaconu/ Scientific magazine. Series: Theoretical and Applied Economics Volume XVIII, № 10 (563). – Bucharest: GAER, 2011. pp. 127-144. [RO]